

An. Code, 1924, sec. 170. 1912, sec. 143. 1904, sec. 131. 1888, sec. 104. 1868, ch. 471, sec. 93. 1878, ch. 154.

**169.** It shall not be lawful for any land company, homestead or building association, or any association formed for the purpose of lending money, or using the corporate funds for the purpose of buying, selling, lending upon mortgage, leasing or otherwise dealing in real or leasehold estate, to issue any promissory note, bill or obligation of any kind to any member thereof, or borrow therefrom in lieu of money, and all loans by such corporation shall be made in money and not otherwise, and all notes, bills or obligations of any sort issued by any such association to or for the use or benefit of any member or borrower in lieu of money, and all deeds, mortgages or other securities whatsoever, given to secure the same, shall be void and of no force and validity whatever, either in law or equity.

Issuance of promissory note by building association for free shareholder's account, with intent to change status to that of general creditor, is in violation of this section. *Koenig v. Sycamora Permanent Bldg. & Svgs. Soc. of Balto.* (Judge Dickerson, Baltimore City Court), *Daily Record*, July 24, 1939.

Cited but not construed in *Baltimore Bldg. Assn. v. Powhatan Co.*, 87 Md. 64; *International Fraternal Alliance v. State*, 86 Md. 554.

Transaction between building association, bank and certain individuals, held not within this section. No evidence of fraud. *National Bank v. Crockett*, 145 Md. 445.

Note issued by building and loan association to a free shareholder for the amount of a deposit previously made by him, for the purpose of changing his status from that of a free shareholder to that of a general creditor, was invalid under this section. *Monroe v. Broening*, 167 Md. 239.

Cited but not construed in *Watson v. Loan & Savings Asso.*, 158 Md. 341.

An. Code, 1924, sec. 171. 1912, sec. 143A. 1917, ch. 28.

**170.** It shall be lawful for any land company, homestead or building association or any association formed for the purpose of lending money or using the corporate funds for the purpose of buying, selling, lending upon mortgages, leasing or otherwise dealing in real or leasehold estate, to buy, hold or lend upon United States bonds and bonds of the State of Maryland.

An. Code, 1924, sec. 171A. 1929, ch. 453. 1937, ch. 309. 1939, ch. 272.

**171.** No foreign building, loan or homestead association shall make loans of any kind or transact any business of a building and loan association within the State of Maryland, or maintain an office in the State of Maryland for the purpose of transacting such business until it has been admitted to do business in the State of Maryland. Any foreign building, loan or homestead association may be admitted to do business in the State of Maryland upon the same terms and conditions, as to taxes, fines, penalties, licenses, fees and deposits, as may be required of a Maryland Association in order to transact business in the State, Territory or District of Columbia in which such association, making application to do business in Maryland, is incorporated or has its principal place of business; and when so admitted shall conduct such business in accordance with the laws governing domestic associations. Whenever any deposit of money, securities or mortgages is required by such foreign jurisdiction, such deposit shall be made with the Treasurer of Maryland and shall be held to satisfy the claims of residents of Maryland; and such taxes, application fees, license fees or renewal fees as may be required by such foreign jurisdictions shall be paid to the State Tax Commission of Maryland, which, after receiving such papers, including a power of attorney establishing a resident agent, as may be required by such foreign jurisdiction, and being satisfied that any deposit required by such foreign jurisdiction has been made, is au-